MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

PMA0064 – ESSENTIALS OF MANAGEMENT ACCOUNTING

(Foundation in Management)

25 OCTOBER 2018
9.00AM – 11.00AM
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **THREE** pages (excluding cover page) with **FOUR** questions.
2. Answer **ALL** questions.
3. Print your answers in the Answer Booklet provided.

Question 1

W & C Sdn. Bhd. Produces two models of washers: a deluxe and a supreme model. The product costing data is provided in the following table:

Activity Usage Measures				Activity Cost Data (Overhead Activities)	
	Deluxe	Supreme	Total	Activity	Activity Cost (RM)
Units produced	10	100	110		
Direct materials	RM800	RM8,000	RM8,800		
Direct labour	RM1,000	RM10,100	RM11,100	Assembly	500
Direct labour hours	20	80	100	Machining	1,500
Machine hours	10	40	50	Setting up equipment	1,000
Setup hours	3	1	4	Moving goods	1,000
Number of moves	6	4	10	Total	4,000

Required

a) Compute the activity-based overhead rates for each activity. (8 marks)
b) Compute the overhead cost assigned to each product. (12 marks)
c) Calculate the total manufacturing cost per unit for each product. (5 marks)

(Total 25 marks)

Question 2

Natural and Healthy Drink is the manufacturer of healthy drink product. The following is the information about the company for August 2018.

Unit sold	202,000
Unit selling price	RM1
Beginning inventory	5,000
Unit produced	205,000
Normal output	200,000
Unit variable production cost	RM0.60
Fixed manufacturing overhead cost	RM20,000
Fixed selling and administrative cost	RM8,000
Variable selling and administrative expenses	RM10,000

Required

a) Compute the product cost per unit by using variable and absorption costing method. (3 marks)

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b) Prepare Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 August 2018 using absorption costing. (12 marks)
c) Prepare Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 August 2018 using variable costing. (10 marks)

(Total 25 marks)

Question 3

Part A

SVM Bhd needs 100,000 units of a component XY for its manufacturing process. Component XY can also be bought from Mas Bhd for RM37.50. SVM Bhd can manufacture component XY for the following cost:

Costs	Variable production costs per unit
Direct materials	RM12
Direct manufacturing labour	RM15
Variable manufacturing overhead	RM8

Fixed manufacturing overhead is RM500,000.

Required

Prepare an incremental analysis to decide whether to make or buy the component XY. (10 marks)

Part B

Metro Sdn. Bhd. sells a single product for which the following information is provided.

Selling price per unit	RM 160
Variable costs per unit	RM 85
Fixed costs per month	RM 750,000

Required

i) Compute the contribution margin per unit. (3 marks)
ii) Compute the breakeven sales in units using the contribution margin approach. (3 marks)
iii) Compute the breakeven in sales value using the mathematical approach. (3 marks)
iv) What numbers of units will need to be sold to achieve a profit of RM150,000? Compute using the contribution margin approach. (3 marks)
v) What is the sales value (in RM) to achieve a profit of RM150,000? Compute using the mathematical approach. (3 marks)

(Total 25 marks)

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Question 4

Yoyo Manufacturing Sdn Bhd manufactures a single product. The following information relates to Yoyo Manufacturing Sdn Bhd for the second quarter of 2018.

	April	May	June
Budgeted sales (units)	190,500	200,000	206,500

Desired inventories (units):	Materials	Finished goods
April, 1	105,000	104,000
April, 30	106,100	199,600
May, 31	115,000	180,500
June, 30	117,900	205,400

Additional information:

1) Selling price of the finished product is RM60 per unit.
2) One unit of direct material is required to produce one finished product.
3) Direct materials cost per unit is RM35.

Required

Prepare the following budgets for Yoyo Manufacturing Sdn Bhd for the second quarter 2018.

a) Sales budget (9 marks)
b) Production budget (16 marks)

(Total 25 marks)

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